IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI (Jackson Division)

UNITED STATES OF AMERICA,)
and the STATE OF MISSISSIPPI,))
Plaintiffs,))
) Case No. 3:12-cv-790 TSL-MTF
v.	
) <u>JOINT STATUS REPORT</u>) <u>UPDATE</u>
THE CITY OF JACKSON, MISSISSIPPI,)
Defendant.)
	_)

Plaintiffs, the United States of America, on behalf of the U.S. Environmental Protection Agency ("EPA"), and the State of Mississippi, by and through the Mississippi Commission of Environmental Quality, acting through the Mississippi Department of Environmental Quality (collectively, "MDEQ"); and Defendant, the City of Jackson, Mississippi (the "City" or "Jackson)"; and together with Plaintiffs, (the "Parties"), submit this Joint Status Report Update to update the Court of the activities amongst the Parties since the date of the last Joint Status Report on October 29, 2021. Docket No. 14.

2012 Clean Water Act Consent Decree

Since the date of the last Joint Status Report Update, the Parties, including counsel, technical staff, and consultants have had numerous discussions, and Jackson has continued its weekly submission to EPA and MDEQ of a statistical analysis of the City's

compliance and the performance of its Wastewater Collection Treatment System and Wastewater Treatment Plants. On November 30, 2021, to facilitate the continued discussions between the Parties, the Parties sought to re-open this case [Docket No. 16] and sought entry of a confidentiality order to among other things, "facilitate the free exchange of information, the expression of unvarnished opinions, [in order to] enhance the likelihood of a successful outcome." Docket No. 17. This Court approved both orders on December 13, 2021. Docket Nos. 18 and 19.

In connection with the Parties' efforts to get the City back into compliance with the Consent Decree, the City has provided certain documents to the United States and MDEQ. Subject to the Confidentiality Order, the City has provided a proposed amendment to the Consent Decree, an updated Long Term Financial Model, and an updated AMI Remediation, Revenue Stabilization, and SORP Implementation Plan ("Revenue Stabilization Plan").

Safe Drinking Water Act Compliance Issues

EPA and the City entered into an Administrative Compliance Order on Consent (AOC), Docket No. SDWA-04-2020-2301, effective July 1, 2021, to address the outstanding Safe Drinking Water Act ("SDWA") concerns identified by EPA. While SDWA compliance is not within the scope of the Consent Decree or before the Court at this time, the Parties inform the Court of the issue because the City represents that the condition of the public water system ("PWS") is relevant to its financial condition. The EPA recently expressed concern with respect to the need for the City to repair an electrical panel at the O.B. Curtis Water Treatment Plant that powers the High Service

Line No. 2 pumps that was identified as a significant deficiency during the annual inspection in November. The EPA is working closely with the City to ensure the electrical panel is repaired as expediently as possible. The City entered into a bilateral compliance agreement with the Mississippi State Department of Health and is currently on-target to meet a June 2022 deadline for repair of the panel.

Discussions Regarding Possible Modification to Consent Decree

As noted above, the City has provided EPA and MDEQ with certain information subject to the Court's Confidentiality Order, including its proposed language to modify the current Consent Decree. In addition, the City has provided an updated Long Term Financial Model to EPA and MDEQ. The Long Term Financial Model provides a tool for EPA and MDEQ to assess the City's financial condition, including the City's current and future capability to fund the proposed injunctive relief under the proposed modified Consent Decree. The Long Term Financial Model specifically will consider the financial capability of the citizens of the City of Jackson to pay for increased costs of service and the City's current and future ability to obtain loan and bond financing to support implementation of the Consent Decree. The updated Revenue Stabilization Plan provides current information regarding the status of the City's efforts to restore its metering and billing system. EPA and MDEQ are evaluating the proposed language implementing the requested modifications to the Consent Decree. In addition, EPA has requested additional details regarding certain confidential financial information provided by the City. The Parties are involved in regular conversations about the proposed modifications to the Consent Decree as well as the financial information and models. The Parties

respectfully propose that they provide the Court with another Joint Status Report Update by July 29, 2022. The Plaintiffs also reserve the right to request a Status Conference with the Court before that date should it determine such action is appropriate.

Respectfully submitted this 28th day of February 2022.

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